

**NIGERIA
GOVERNORS'
FORUM**



HelpDesk

Taxpayer Complaints Management

NIGERIA GOVERNORS' FORUM SECRETARIAT

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Foreword

The Nigeria Governors' Forum (NGF) has continued to play an active role in strengthening institutional and governance systems at the subnational level. This support has been through the provision of evidence to influence policy formulation and implementation, the development of knowledge resources to strengthen the implementation of reforms and the delivery of platforms for peer learning in areas such as economic development, public financial management, health, human resource management and citizens engagement amongst others.

To strengthen the reform environment and fast track full domestication of commendable practices across the 36 States, the NGF Secretariat regularly develops guides for implementing State-level reforms based on extensive experience in peer reviewing the 36 States since 2009. This has significantly improved the way State Governments are run and the governance climate in the country.

We encourage States to adapt the approaches documented in this guide given that they have worked in many States. The guide is used by the NGF Secretariat to build the capacity of State governments in strengthening domestic revenue mobilization. It has served as a functional tool at different administrative levels, in the design, implementation and monitoring of sub-national tax reforms

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Director General Nigeria Governors' Forum

Prelude and Acknowledgement

The HelpDesk is a technical support programme instituted by the Nigeria Governors' Forum (NGF) to support States in improving their development performance by providing demand-based technical assistance in the areas of public financial management (PFM) and domestic financing (Internally Generated Revenue).

This publication is a guide for State Internal Revenue Services (SIRSs) on best practices for managing taxpayers' complaints. These include key processes for compliant resolution and instituting a good complaints management system and policy.

The guide as prepared by a team led by Olanrewaju Ajogbasile supported by Yakubu Paiko, Dr. Mark Abani, Zubaida Abiola and David Nabena.

Abbreviations and Acronyms

CAC	Corporate Affairs Commission
CGT	Capital Gains Tax
CMO	Complaint Management Office
CMU	Complaint Management Unit
DA	Direct Assessment
FAQs	Frequently Asked Questions
FIRS	Federal Inland Revenue Service
IRS	Internal Revenue Service
JTB	Joint Tax Board
KPIs	Key Performance Indicators
OECD	Organization of Economic Growth and Development
PAYE	Pay as You Earn
PIT	Personal Income Tax
PITA	Personal Income Tax Act
SMS	Synchronize Messaging System
TAT	Tax Appeal Tribunal
TCC	Tax Clearance Certificate
TIN	Tax Identification Number
WHT	Withholding Tax

SECTION ONE

1.0 Introduction

The tax system creates an uneven power arrangement between taxpayers and tax authorities because tax authorities are empowered to administer taxes - which is a mandatory payment to government not warranting direct service be reciprocated unlike charges, levies, and fees. However, the tax authority is expected to provide adequate guidance and assistance to ease the cost and process of compliance. To guide the delivery of its service to the taxpayer, service standards are set by way of laws, regulations, and a charter, ensuring citizens are aware of their rights to excellent service delivery by the tax authority.

For accountability, the tax authority must set up a dispute/complaints redress mechanisms and channels for taxpayers to express their dissatisfaction with the services they have received from the tax authority or its authorized agents.

Complaints management is an integral part of the taxpayer service delivery function which plays a crucial role in tax administration influencing taxpayer perceptions and tax compliance. Complaints should be viewed by the tax authority as an opportunity to identify and address failure points in its systems, processes as well as policies to improve taxpayer satisfaction and ultimately tax compliance. A taxpayer who registers dissatisfaction/complaint before the tax authority is desirous of a resolution or feedback regardless of whether it lacks merit or not. All taxpayers' complaints should be treated seriously, fairly, professionally without prejudging the complainant. Established due process should be followed.

1.1 Concept of Complaint Management

For the purpose of this manual, a complaint can be defined as an expression of dissatisfaction or discontent by a taxpayer and other stakeholders about the standard of service being offered, or action / inaction of the tax authority. It is different from an objection to an assessment. While the taxpayer may complain and be dissatisfied there is a separate and formal process for dealing with an objection to an assessment.

1.2 Why Taxpayers Complain and their Expectation

Whenever people make complaints, they are expecting a perceived wrong act to be remedied. In the case of a tax complaint, the complainant is asserting that the tax office has made a mistake or provided a poor service. These mistakes could arise from inefficiencies in tax administration such as system down time, lengthy processing time for communicated services or poor capacity of staff. Also, the tax authority may have disallowed a deduction which the complainant believes he/she is entitled to and now has adequate information to prove

otherwise.

Taxpayers who register complaints may do so for the following reasons:

- When what they have experienced is not acceptable and they expect that the tax authority would resolve their complaint.
- Their complaints might lead to a decision by the tax authority that will make them better off.
- The matter reported will be handled fairly and quickly by the tax authority in an objective and independent manner.
- There shall be no financial liability greater than the claim that they may get from the tax authority for complaining.
- No adverse reaction will follow from making the complaint.

A complaint redress mechanism that cannot deliver fair and quick resolution to taxpayers' complaints is considered to be weak and will not enjoy the confidence and patronage of the complainants.

1.3 Importance and Benefits of Complaints Management

Taxpayers have a right to make comments or raise concerns which they expect to be heard by the tax authority or other relevant agencies. There are several benefits the tax authority can gain from investing in an effective complaints management system. These include the following:

- Speedy resolution of complaints without undue complications/delays will save the tax authority litigation time and cost.
- It presents an opportunity for relationship-strengthening and a chance to regain the trust of the complainant.
- It provides feedback for improving taxpayer management services.
- It provides an opportunity to improve the image and brand of the tax authority.
- It can serve as a whistle-blower tool for checking fraud and corruption within the service.

Similarly, the taxpayer benefits from the process in several ways including that it:

- presents a fair and cost-effective opportunity to seek redress and be heard when dissatisfied with a service of the tax authority.
- presents an opportunity for taxpayers to express their expectations of the tax authority e.g. the need to review processing times.
- serves as a medium through which taxpayers can hold the tax authority accountable for its service standards.

1.4 Features/Characteristics of a Good Complaints Management Mechanism

The following characteristics are essential for any good complaint management

mechanism

1.4.1 Speed

The complainant should be resolved within a reasonable time with as little financial impact on the taxpayer as possible. Unresolved disputes arising from a complaint not treated promptly, could impair the perception of the taxpayer about the tax authority. This negative perception once formed, can impede voluntary compliance by the taxpayer and could cost the tax authority loss of revenue or enforcement expenses.

How do you achieve speed?

- By educating the public on the mandates of the complaints management unit so that time is not wasted on misdirected complaints.
- By sensitizing taxpayers on the complaints process – what, when, how and whom to register complaints to, to avoid delays in complaints resolution.
- By making publicly available guides on the process for resolving complaints and attributing specific timelines to serve as standards for complaint resolution.
- Ensure the complaints management office is committed to the complaint resolution standards
- By periodically reviewing complaints registers and reports for process times that require improvement e.g. A Frequently Asked Questions (FAQs) leaflet can be developed to address frequently lodged complaints to reduce complaint queues.
- By identifying common causes of complaints and dealing with the root cause e.g. poorly trained staff or premature enforcement of actions.

By identifying bottlenecks in the tax administration process in a bid to reducing processing times and improving systems effectiveness and efficiency.

1.4.2 Independence

Any effective complaints mechanism must be able to demonstrate independence and ability to fairly decide in favour of either of the parties. The complaints management unit should not be a mechanism designed to be influenced by another unit/department within the tax office. Even where required documentations or facts of a matter are required from another unit, they should review without bias.

How do you strive to be independent?

- The head of the complaint management office should be knowledgeable and experienced enough to provide informed counsel and take informed decisions within the ambits of fairness and objectivity.
- By providing written guidelines and desk guides to guide complaints management operations and decisions.
- By ensuring that the actions of complaints staff are consistent and not erratic
- By educating complaints staff on decision making and requiring them to know and understand the tax laws, tax policies rules and service standards of the tax authority in relation to services to taxpayers, etc. Members of staff can also be oriented and trained on previous complaint cases so that they are more capable of handling such cases when they reoccur.

1.4.3 Confidentiality

Tax officials deal with personal information that should be kept confidential for several reasons, including personal security considerations. It is important that complaints management staff accord information coming into their hands with the same consideration. Taxpayers should be able to make complaints without their lives being endangered by careless handling of their personal information.

How do you ensure confidentiality?

- By ensuring that tax office staff including complaints staff sign and adhere to non-disclosure or confidentiality agreements
- Remind tax officials of their oath to secrecy/confidentiality periodically to enshrine in their mind the importance of maintaining confidentiality in handling taxpayers' information.
- By establishing stringent and severe disciplinary actions as a deterrence to non-compliance to oath of secrecy/confidentiality.
- By assuring complainants of the confidentiality of their information.
- By restricting access to certain taxpayer information on a need to know basis, ensuring that staff are granted access to only files they are working on or those related to their work.

1.4.4 People-centric

Complaints management is about relationship management. The issue of whether the complaint filed is justified comes second. Even if a complainant is erroneous, the way a taxpayer is treated may matter far more than the decision itself.

How do you demonstrate that complainants matter?

- By building competencies in interpersonal relations and improved customer service.
- By educating staff on how to treat complainants.
- By remembering that the way the complainant is treated may be more important to him/her than the decision reached.
- By never looking down on a complainant or his/her complaint.

1.4.5 Access

A complaint process should be accessible to all the people who might desire to lodge a complaint. Factors such as charges or fees for complaint filing, the location of the complaint management unit, the requirements for filing complaints, the channels by which the complaints may be filed etc. may limit access to the complaints management/redress mechanism.

How do you promote access to complaints management redress mechanism?

- By making complainants know that there is NO charge for filing complaints.
- By making the complaints management office easily accessible to taxpayers including the elderly and disabled, literate and illiterate.
- Deploying e-complaints channels to improve access and reduce cost of engagement on the part of the taxpayer such as transportation to the complaints office.
- By simplifying the requirements for filing complaints e.g. concise and simple forms.
- By making requirements easy to fulfil e.g. complaints form can be easily downloaded or completed on the website with options for upload of additional documentation.
- By widely publicising the opportunity to lodge complaints e.g. by placing signboards at strategic areas in the tax office, around the State, kiosks of collection agents official website, social media platforms, newspapers, television advert placements, radio jingles, sensitization materials, etc.

1.4.6 Transparency

It is important that complainants are convinced that their complaints were treated fairly and in an objective manner. This is accomplished by stating the reasons for the decisions reached.

How do you achieve transparency?

- By disclosing the facts, including legal provisions considered in the process of taking a decision.
- By stating any precedence considered relevant.
- By clearly stating the reasons behind the conclusion reached.

1.4.7 Communication

A complaint management unit that is well run and respected has impressive communication and engagement practices. It is important that both parties are well understood and informed on the status of a complaint. Taxpayers should be offered the choice to be serviced in English or a local dialect of their choice in which they may be conversant with.

How do you improve your communication standards?

- By ensuring that important developments on the case are promptly communicated to the complainants.
- By updating the complainant on the progress made with his/her complaint.
- By deploying a self-tracking functionality on the online complaint system allowing for real time updates on complaint resolution progress.
- By communicating changes to complaint processes to taxpayers, especially those who have existing complaints.

1.4.8 Closure

The complaints management unit should see every complaint to a logical conclusion rather than robotically going through the motions. Some complaints will be upheld while some will be declined. However, declined complaints should still be closed with the taxpayer understanding the reasons for the decision taken.

How do you ensure closure?

- By ensuring that the tax authority demonstrates understanding when it communicates a decision to the complainant.
- By ensuring that the complainant does not see an unfavourable feedback or decision as a personal attack, but a situation informed by facts.
- By being able to relate to the complainant after the case is concluded or resolved.
- By building trust that the complaint was fairly resolved – will the complainant feel that the process is fair, and would s/he explore the channel again or recommend it to a trusted friend?

1.4.9 Reporting & continuous improvement

A good complaint management/redress mechanism has embedded within it a performance monitoring system to identify areas for continuous improvement.

How do you achieve continuous improvement?

- By reporting key indices of performance.
- By holding review sessions on performance and acting on recommendations.
- By surveying complainants to know their assessment of the process and identifying their best and worst experiences.

1.5 Features of an Effective Complaint Management Mechanism

A complaint management mechanism or unit requires the following components to be effective and functional:

- **Enabling instrument**- The law setting up the tax authority should provide for the establishment of a complaint management/redress mechanism and unit.
- **Organisational structure for the office** – The unit should be professionally set up and headed by a director or person of senior cadre who can implement necessary reforms informed by the complaints received.
- **Complaints resolution process** – The tax authority needs to establish a clear process for handling complaints from filing, review and communicating resolutions back to complainants.
- **Service quality standards** – standards are set for every complaint type and resolution process. Associated service standards are often time based and related to the quality of interaction with the complainant. Guidelines on service standards should also be included in the tax authority's complaint policies, communication practices and other related regulation documents.

1.6 Legal Provision for Complaints Management

The Personal Income Tax Act has made adequate provision for handling taxpayer grievances. Though there is no explicit provision for a complaints unit, alternatively, the law provided for objections and appeal, with a clear process beginning from the tax office to the Tax Appeal Tribunal. Parts of the objection process laid down in the Act are integrated in the design of processes for resolution of complex complaints requiring investigation into the conduct or behaviour of tax officials, especially processes for fair hearing. In such complex complaint cases, the final deciding authority is the board/management of the tax authority as against the tax tribunal in the case of objections.

1.7 Forms of Complaints

A complainant may complain against as many wrong doings as possible. There should be no limit to the areas where a taxpayer can complain. A complaint can be about processes, lack of guidelines, delay in providing a service or response to an inquiry against the behaviour of a tax officer, etc. Below are some examples of complaints:

- Poor quality and standard of service offered.
- Failure to provide a service.
- Poor quality of information materials, forms, and other facilities.
- Bad treatment or inappropriate behaviour by a staff member.
- Failure of the tax authority to follow an appropriate administrative process.
- Dissatisfaction with a policy, process, or procedure.
- Errors on assessment notice, demand notice or any other document issued by the tax authority.
- Misunderstandings, omissions, or oversights.
- Undue delays in the issuance of assessments, tax clearance certificates, licenses, or any other document to be issued by the tax authority.
- Delay in the issuance of refunds by the tax authority.

1.8 Information to Taxpayer about Complaints Rights

Tax authorities should strive to put in place a Taxpayer Service Charter, which will spell out the taxpayer's rights and obligations. This is an important instrument of customer/taxpayer service and taxpayer education that can be integrated into the performance management system. Therefore, all tax authorities are encouraged to produce a Taxpayer Service Charter and Service Level Agreement where applicable.

Taxpayers with grievances over their rights and service standards are encouraged to contact the complaints management unit or taxpayer service unit at the tax office through channels made available by the tax authority such as telephone numbers, email addresses, and written letters. The tax authority should follow up based on its internal procedures.

1.9 How to handle a Complaint

The first step to handling a complaint is to establish the Complaint Management Unit (CMU) with dedicated and well-trained staff. The staff must be trained in customer care, communication, basic tax law, principles, and processes

The following etiquette should be followed when an aggrieved taxpayer visits the complaint office:

- A complainant is usually distressed, so the complaint management staff should stay calm and avoid being personal with the issue raised. The official's mandate is to help the complainant in resolving his/her complaint, understanding that the taxpayer is very important and has a right to complain.
- Being a good listener is important in calming and helping the complainant. The complainant is likely to listen and agree with the complaint management official if he/she is approachable and a good listener.
- Make sure you take notes and ask further questions, this will encourage the complainant to be open and confide in the official.
- Provide adequate information and guidance to taxpayers/complainants regarding the complaint process through the communication channels and tools of the tax authority e.g. infomercials, guides, briefs, leaflets, etc.

Tell the complainant how the CMU is going to resolve the grievance filed/reported and appreciate him/her for letting the tax authority know and that the unit values their

SECTION TWO

2.0 Complaint Process Methods

Taxpayers are free to file their complaints or grievances to the tax authority through any of the following channels:

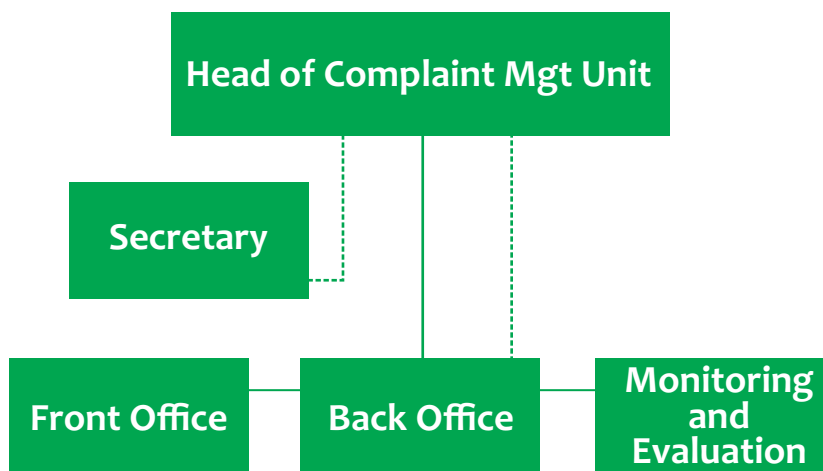
S/N	Complaint Method	How	Remark
1	Email	Send e-mail to the tax authority's official email address.	<ul style="list-style-type: none"> •Complaints form to be attached. •Automated email to acknowledge receipt of email from complainant.
2	Phone/SMS	Make call/ send SMS to a dedicated line(s): +234..... Mondays to Fridays (8am - 4pm) on working days only.	<ul style="list-style-type: none"> •Complaints form would be required to take down complainant's submission and feedback during the call. •Automated text to acknowledge receipt of SMS from complainant. •FAQ to address questions where answers have been provided.
3	Letter	Send a letter to the Complaint office address or designated PMB/P. O. Box address.	<ul style="list-style-type: none"> •Complaints form to be attached.
4	Website	Visit the official website of the tax authority to fill an online complaints form – www.stateirs.gov.ng/complaints	<ul style="list-style-type: none"> •Complaints form can be completed online. •Automated email to acknowledge receipt of mail from complainant. •FAQ to address questions where answers have been provided.
5	In person	Personal visit to the tax office (verbal).	<ul style="list-style-type: none"> •Complaint form would be required to be completed. •FAQ to address questions where answers have been provided.

2.1 The Organisation of the Complaints Management Unit

The CMU must have a structure that enables it to discharge its functions speedily, impartially, and credibly to ensure that all parties are treated fairly. The structure must consider:

- The need to resolve complaints by identifying the substance of the complaint, investigating same professionally, and reaching a decision it can defend.
- The need to ensure that the human aspects of the complaints are addressed. This entails treating all complainants with the utmost respect, uphold their dignity, make them feel valued and tender an apology (when necessary) as part of the complaint's resolution measures.
- Inviting complaints and ensuring that errors in the process of making complaints are minimised.

CMU – Organisational structure



2.2 Complaints Management Unit Organisation Chart

There are three sub-units under the Complaints Management Unit with assigned responsibilities as shown in the table below. The core complaints processing duties are performed by the Back Office and should be staffed adequately and with professional staff who have good knowledge of the tax law, policies, tax administrative processes, programs and internal operational regulations of the tax authority.

The most important element of the CMU is the people. The staff of the unit must be carefully recruited based on their personality skills. They must be caring, warm and with good interpersonal relationship and customer service skills. They must possess strong persistence to solve problems and help others, with patience, creativity, good judgment, and strong communication skills.

Training is needed to complement these personality skills. All staff should be encouraged to attend courses in customer service, attitudinal change, decision

making, negotiation, problem-solving, conflict management and dispute resolution. Training programmes should also cover tax laws (including decided cases), tax policy, tax administrative process, strategic communication including choice of words and prohibited language.

The staff of the unit must hold regular meetings to share and review their experiences to continuously improve on their performance.

Department	Description of Activities	Key Performance Indicators
Front Office	<ul style="list-style-type: none"> •Attend to emails, phone calls, letters, and guests. •Help taxpayers understand and comply with complaints processes. •Receive all complaints. •Register complaints. •Track issues raised by complaints with the office and report same to supervisor and even suggest solutions. •Escalate complaint to back office, where necessary. 	<ul style="list-style-type: none"> •Complainants' satisfaction. •Improvement in procedures at the front office. •Speed of attending to complainants at the front office.
Back Office (Complaints Management)	<ul style="list-style-type: none"> •Record keeping and preservation of documents including automation of records. •Make documents available for processing where the services or inputs of other departments/units may be required to resolve the complain. •Obtain information on complaints. •Determine the substance of complaints. •Form opinions on merits of the complaints. •Suggest how to proceed with the resolution of the complaint; 	<ul style="list-style-type: none"> •Complainants' satisfaction. •Time to resolve complaints and adherence to service standards. •Quality of opinion on merits of complaints.
Monitoring and evaluation	<ul style="list-style-type: none"> •Work closely with the head of unit to prepare data collection methods and tools. •Collect information from taxpayers on the adequacy or suitability of services, processes, or guidelines. •Organise evaluation activities 	<p>Reports, custom tools, forms, and templates for collection of information.</p> <p>Reports, number of reviews carried out and revisions made on processes, and</p>

	<p>(externally) with taxpayers and (internally) with staff such as meetings, brainstorming sessions, surveys etc.</p> <ul style="list-style-type: none"> •Continuous collection and prompt sharing of information with other units. •Conduct situation analysis within a particular sector, taxpayer group or segment. 	<p>guidelines.</p> <p>Reports, number of reviews carried out and revisions made on processes, and guidelines due to feedback received from the Taxpayers and staff.</p> <p>Information data bank available for other units and staff for reference.</p> <p>Evaluation reports, findings on peculiar complaints emanating from each sector and number of issues resolved as a result of the analysis conducted.</p>
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2.3 Communication with Complainants

The activities of a CMU include providing assurances to the complainant that the CMU is positioned and prepared to see the complainant's case to a logical and satisfactory conclusion.

The CMU assures complainants of good service delivery and fairness when attended to using convincing communication narratives that provide confidence and reassurance and indicate conformity to best practices, objectivity as well as commitment to service standards. The unit should publicly display elements of its complaints policy and statement of rights of complainants. A roll-up banner may be used for this purpose.

2.4 Communication Style

- The CMU should ensure that the tone of its communications with complainants is not accusatory. Complainants should not feel that they are being blamed, ordered around, or being treated like they do not matter. The unit should refrain its staff from using the word “you” to apportion blame. This can be freely applied during legal proceedings where complaints have been escalated beyond the ambit of the complaint process, but it is unnecessary during the administrative process undertaken by the complaint management system. “It appears that the form was not completed” promotes better cooperation and respectful engagement than “you failed to complete the form”. When a

complainant hears that “we would be grateful if you will help us by clarifying this” Rather than “you need to clarify this...” s/he knows the difference and appreciates it more.

- There is need to communicate requirements in simple and clear language regarding complaint filing to reduce complaint filing errors by the complainant and time spent in correcting them/requesting for additional information. The right to complain must be extensively publicised and displayed on the website including sensitisation materials on how to file an objection to an assessment (making it clear that this is treated by the compliance unit). The language used should be free of jargon. Messages that are short and direct are easier to read, and more likely to be read, than a long prose. The unit's staff should endeavour to make follow up telephone calls with some complainants. This may be necessary where the complainant's case is one alleging maltreatment by the officials of the tax authority, which then led to a complaint being lodged. People generally appreciate phone calls more. Complaints, especially those made on the phone, should be acknowledged by thanking the complainant for contacting the unit. When expressing a “thank you”, it is important that this is also conveyed in staff's tone of voice.
- Complainants should be assured of the confidentiality of the complaints processes and procedures. Similarly, the unit's official should continually reassure the complainant that his/her complaint is being taken seriously and accorded priority. It is important that where a feedback might require additional documents from the complainant, as the process goes on or takes a while, the unit should respectfully crave for his/her understanding and request for some time to revert with feedback. The timescales to deal comprehensively with complaints should be considered in setting average response times.
- Feedback should be delivered promptly and in a positive manner e.g. “we are happy to inform you that we have reviewed your complaint and found that it has merit. Our Pay As You Earn (PAYE) Unit will make the necessary adjustments to reflect the updated personnel list and tax payment receipts you provided and send you the Tax Clearance Certificates (TCCs) for the other staff earlier omitted”. The unit may also put in words to show empathy such as “we are sorry for any inconvenience this might have caused you due to the delay in processing the TCCs for your staff as a result of this uncertainty. We apologise for it and sincerely appreciate that you brought this matter to our attention. Thank you”.

In the case of an unfavourable feedback, official should start with soothing words such as “We thank you for contacting us over the issue of the omitted TCCs of some of your staff. We have spent a lot of time to consider it to ensure that we have all the facts to take a decision”. Then, “however we are unable to issue any TCC for them because the amount paid is not representative of the assessment raised and communicated for payment. We are happy to resend a copy of the concerned tax assessments again to your office for your consideration and action”.

2.5 Rights of Complainants

The following rights should be upheld and communicated to the taxpayer by the tax authority

- It is a right to complain, not a privilege.
- Complaints are filed at no cost.
- Complainants have a right to confidentiality.
- Complainants deserve the utmost respect.
- The dignity of the complainant will always be upheld.
- Complainants have the right to be assisted.
- Complainants have the right to speedy resolution.
- Complainants deserve to know how complaints management process works and how long it may take to resolve reported cases.
- Complainants have the right to know the reason for any delay in communication.
- Complainants should know the basis for any decision taken.
- Correspondence will be made in all local languages.
- A right to further appeal is recognized.

2.6 Complaints Policy

The activities of the CMU should be guided by the following policies:

- i. The unit will affirm that complaints serve as a mechanism for accountability. Complaints from taxpayers avails the tax authority with information about its service or factors it will otherwise have not known or considered.
- ii. The focus of the unit is to resolve complaints about the services of the tax authority. This role does not apply to resolving staff grievances, which is outside the scope of what it does. Issues pertaining to staff grievances are usually handled by the Human Resources or Administrative Department.
- iii. The unit will respect privacy and promise confidentiality to complainants and it will not charge for its services. It will treat complainants courteously and uphold their dignity to make them feel valued no matter the outcome of the complaint.
- iv. The unit will provide multiple channels for filing complaints. It will continue to

expand the channels to ensure increased convenience. The unit currently welcomes complaints filed by email, SMS, letters and in person.

- v. The unit works in ways that conflicts of interest are avoided. It will ensure that complaint staff are different from regular revenue staff. The unit will welcome complainants without any discrimination.

2.7 Satisfaction Survey

Satisfaction surveys of past complainants helps the tax authority learn from the experiences of complainants. Technology now makes it possible to survey past complainants. But where a sample is needed, it is important to adopt stratified sampling to ensure fair distribution across age, gender, individual/business, type of tax, type of complaints etc.

Survey questions should consider two aspects of the complaints process:

- Process – speed, acknowledgement, communication, assurance of no reprisal, access/simplicity etc.
- Decision and explanation of same.

This function is to be conducted by the monitoring and evaluation sub-unit/function of the CMU.

2.8 Learning from Complaints

Observation	Possible Causes	Actions
Number of complaints is growing	<ul style="list-style-type: none"> •Service is deteriorating •Number of revenue staff is inadequate, or staff are not properly trained •Taxpayers are getting to know more about complaints processes •Complaints management is working, and more taxpayers are accessing it 	<ul style="list-style-type: none"> •Investigate cause of complaints •Discuss solutions including staffing or training •Improve complaints process to continue to satisfy complainants
Complaints about enforcement is growing	<ul style="list-style-type: none"> •Revenue staff getting more aggressive •Taxpayers getting complacent •Regulation too strict •Hitherto people “settled” 	<ul style="list-style-type: none"> •Investigate and discuss with revenue staff •Educate taxpayers •Review regulations for improvements that could ease compliance.

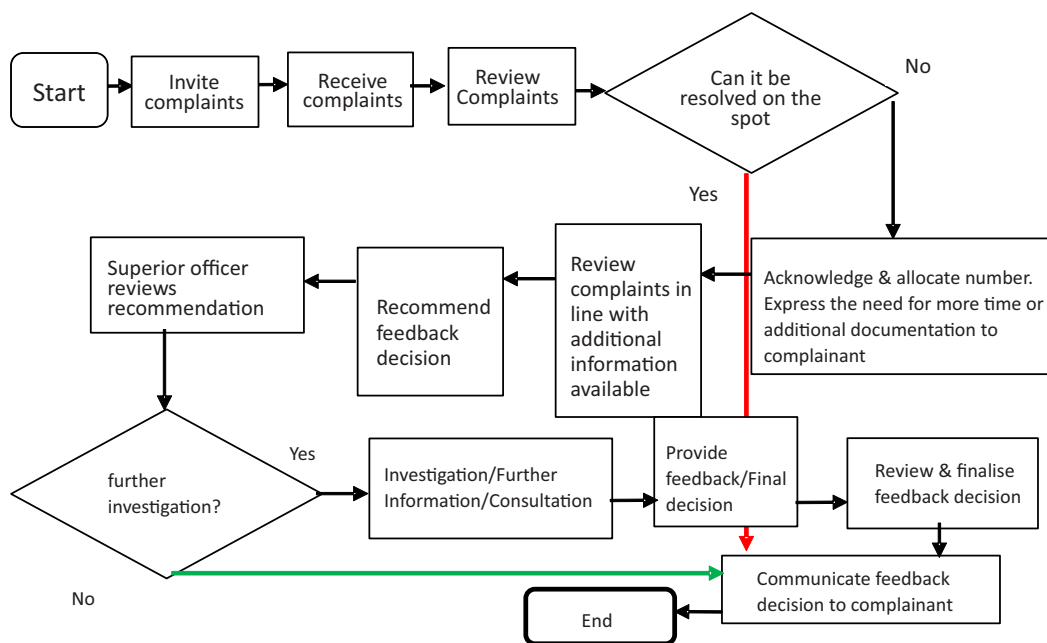
	issues informally/unofficially which are usually characterised by unwholesome practices such as bribery and inducement.	
Complaints concentrated on a particular tax	<ul style="list-style-type: none"> •Taxpayers do not understand the tax •Provisions of the law gives room for ambiguity •Government is focusing on that tax to generate more revenue 	<ul style="list-style-type: none"> •Taxpayer education – more flyers, jingles, collaboration with associations. •Review regulations for improvements that could ease compliance. •Escalate complaints to the government.
Firms complain more than individuals	<ul style="list-style-type: none"> •Firms are targeted by revenue officers more than individuals •Firms more aware of rights than individuals •Firms believe that they can handle reprisal for complaining 	<ul style="list-style-type: none"> •Investigate the cause of complaints •Are businesses being unduly targeted by revenue officers? •Taxpayer education on rights and zero reprisal for complaining
Individuals complain more than firms	<ul style="list-style-type: none"> •Individuals commit more infractions •Individuals are deliberately taken advantage of •There are more individuals in business than organisations 	<ul style="list-style-type: none"> •Investigate and discuss with revenue staff •Educate taxpayers
Women complain more than men	<ul style="list-style-type: none"> •Women are targeted more •Women are more determined to press their rights •Women are more in business than men •The right tone is not used with women taxpayers. 	<ul style="list-style-type: none"> •Investigate the cause of complaints •Discuss with revenue officers •Disseminate gender-based messages.

- i. **Understand the complaint:** Before answering a dissatisfied complainant, the CMU staff should show that he/she understands the complaint filed. If the complainant has explained his or her dissatisfaction with a service, the staff need not repeat the problem but should rather begin to discuss a solution with the complainant. If the complaint is in writing, the staff should quote the words of the complainant to show that he/she has carefully examined the letter of complaint. It is important that all relevant data or information exchanged with the complainant or meeting with the complainants are properly documented e.g. date of complaint, TIN numbers, previous contact with taxpayer service, etc.
- ii. **Ask for clarification:** An angry taxpayer might be unable to write their complaint clearly. A staff of the unit can ask the taxpayer to clarify the complaint. The staff can also ask how the taxpayer wants the complaint to be resolved. It should be noted that if the staff cannot clarify the complaint and offer the right solution, he/she can make the complainant more angry, hence, the staff should seek support from a more senior colleague who is better informed on the subject matter.
- iii. **Personalise the response to the taxpayer:** A dissatisfied complainant may not be willing to be pacified if he or she feels that no one is there to listen to his or her complaint. Unit staff can respond with a phrase like, “Dear customer/taxpayer, thank you for your letter.” “We will do our best to resolve your problem. While we pursue a resolution to your complaint, please note that your satisfaction is our topmost priority as we put back a smile on your face. We are happy to hear from you.” The staff can send a personal letter to convince them that their complaints have been recorded clearly. The unit's staff can personalise the letter with his/her name. The taxpayer needs to know that there is someone who is trying to solve his or her problem and not a machine.
- iv. **Express commitment to resolving complaint as soon as possible:** An angry taxpayer just needs concrete actions. The unit's staff need to specify how he/she is going to solve the complaint of the complainant. If the solution is complex, the staff should break it down into steps, which are understandable. If possible, state when the issue will be resolved.
- v. **If delivering a favourable message, say it first:** If the resolution is positive and in favour of the complainant, then the staff should deliver the favourable message first and then show kindness to enhance rapport. However, if the resolution of feedback is not as desired by the complainant, the staff should express sincere concern and care first before delivering the unfavourable news.

- vi. **Use positive and polite tone:** Staff assigned to a complainant might by reflex want to respond in an equally unpleasant tone as the dissatisfied complainant; however, the staff should refrain from doing so as it will only make matters worse and present the tax authority as unapproachable and unfriendly. Compulsorily, the staff should always use appreciative enquiry methods, polite and positive words.
- vii. **Avoid blaming the complainant:** Try to replace all the "you" words with "I" or "we." Do not say or write: "We cannot process your complaint because you did not mention your address on the form." Instead, "We cannot process your complaint because we do not have your address."
- viii. **Recognise the complainant's frustrations:** Even though it can happen that the complainant's problem is not caused by the tax authority and the resolution may not be subject to the tax authority, the staff of the complaint unit should still endeavour to assist the complainant by referring him/her to the appropriate MDA.
- ix. **Apologise to the complainant when it's a mistake on the part of the tax authority:** When the tax authority makes a mistake, it should offer apologies to the affected parties including the complainant.

2.9 The Complaint Process

An effective complaint management mechanism must have a well-defined process for handling complaints. The process must be comprehensively defined to enable it to accommodate different types of complaints that may be received by the CMU.



2.10 Service Quality Standards: Complaints Policies, Communication Practices, Satisfaction Surveys

It is important that certain standards be laid for some activities undertaken by the CMU. These include communication with complainants and the need to be transparent, fair, and impartial. These standards should also include possible timelines and related KPIs.

It is necessary to publish policies that the CMU is committed to and which guides its activities.

The experiences of complainants as they go through the complaints process is a good source of information to improve the activities of the unit and Service at large. It is recommended that periodic satisfaction surveys are conducted.

There is also a need to review the performance of staff at regular intervals, preferably monthly, by considering the reports of complaints filed and resolved. It is very important that the correct meaning be read into complaint reports. It is not a bad thing that complaints are increasing, it is more important that the root cause is probed.

2.11 Complaint Management Process Flowchart

The flowchart shows elements of the process for resolving complaints.

Be open to Complaints

The CMU needs to encourage complainants to report their grievances. Complainants give the tax authority an opportunity to correct any wrong action taken. For the right to object an assessment, the corresponding notice served to the taxpayer informs him/her of the right to object where the assessment is considered erroneous. The taxpayer's right to complain on the other hand is publicized through the taxpayer service charter, infomercials, awareness campaigns and education rallies, etc. The website of the tax authority should also inform taxpayers of the opportunity to file complaints.

All sensitization channels or mediums should communicate details regarding the complaint process and the turnaround time for feedback-

Who can complain?

The taxpayer is the foremost person who should lodge a complaint. S/he can also nominate a representative, preferably in writing, to file a complaint. The representative's powers should be specified, because it may be limited to helping lodge a complaint. If this is the case, the letter will not confer on the representative the right to full information about the taxpayer.

A small company's complaint can be lodged by the sole owner while with larger firms, the company's accountant, director, company secretary, professional adviser (lawyer, tax practitioner) can do so on behalf of the company. A partner in a partnership will normally be able to file a complaint on behalf of the partnership.

Receive Complaints

When the CMU of the service receives a complaint, it is reviewed to ensure that the following are correct.

- All the required documents are attached
- It is addressed to the proper unit. For instance, the tax CMU at the state level may not be able to handle disputes about LG levies. Such a complaint should be channelled to be filed with the proper unit.
- It correctly describes the issue. If the dispute is about 2019, it should not talk about 2018. If the matter complained about is land use charge, it should not talk about personal income tax. Where an error of this kind is made, the taxpayer will be invited to clarify and amend the complaint accordingly.

Review Complaints

After all the checks above are made, the complaint is considered briefly to determine whether it can be resolved on the spot. Errors with dates, wrong description of taxpayer, address, or item (e.g. property) may be easily resolved on the spot. This can

bring a speedy and happy closure to the matter immediately. FAQs come in handy at this stage, highlighting answers for frequently lodged complaints.

However, the disagreement may require checking other documents and files. This will require more time. So, the complaint will need to be kept with others requiring deeper review. The complaint may be asked to wait or come later after getting a reference number.

Acknowledge and allocate number

At this stage, the complaint is registered and allocated a number. The complaints number should be allocated serially and should be maintained for each year. A new sequence should be started at the beginning of a new year. The format of the number may help identify the year the complaint is filed e.g. 2018-028 and in the following year, we may have 2019-017.

The register may be maintained using Microsoft Excel. This will ease the generation of reports on complaints activity.

It is advisable to capture information such as:

- Full name of taxpayer or the business name
- Taxpayer or JTB or State identification
- Date of the complaint
- Gender, in the case of individuals
- Tax office/unit/official complained about
- Tax type that is the subject of the complaint e.g. PIT or WHT

The taxpayer should be asked to keep the acknowledgment of the complaint safe.

He/she can also be asked to provide additional information or documentation where necessary.

Preliminary review to accept or proceed with investigation

A preliminary review of the complaint should be made within 48 hours. This is a review designed to answer a major question:

- Should we accept the complaint or not? A complaint may be rejected at this stage due to:
 - The matter has been previously decided upon by the CMU and the taxpayer either wants to try his/her luck again or test the consistency of the CMU or does not know or want to proceed to explore other remedial channels.
 - The taxpayer contests the right of the tax authority to collect tax e.g. for political reasons. The taxpayer contests the legitimacy of the government in power or the government has been remiss in providing services and therefore does not have the moral right to collect taxes from the taxpayer and other citizens. It is also necessary to pass a

complaint like that through a process of formal written rejection, stating reasons. The tax authority should normally not get involved in political matters beyond quoting relevant laws as they exist.

Recommend a decision

Typically, circumstances when complaints lodged in person would be rejected are limited given that the initial review is done before a number is assigned to the complaints. This is to ensure that those who complain in person have a meaningful response immediately.

The complainant would not be so happy when s/he gets a letter within 72 hours telling him/her that the complaint was filed wrongly or that it should have been submitted to another body. The typical reaction would be this should have been pointed out on the spot. The decision also ensures that there is a reduction in the number of letters that must be written by the tax Complaint Management Unit.

However, for complaints received through the mail, all the preliminary disqualifying checks would be made at once. Hence the decision to reject at this stage would be recommended by a superior officer. A written complaint already accepted and acknowledged should be treated seriously and should be responded to with another officer getting involved, no matter how briefly.

Superior tax officer decides

The recommendation to reject the complaint will usually be upheld by the superior officer. A superior officer will usually have the powers to:

- accept a recommendation
- modify it or
- reject it

When a recommendation is rejected, a directive must be made as to what to do next.

When it is agreed that the complaint be rejected on such “technical” grounds mentioned above (such as a complaint addressed to the wrong office or is wrongly filed), a letter would be prepared to convey the response to the complainant. This should be done very quickly because the longer it takes to deliver the “bad” news of a rejection on technical grounds, the angrier the complainant becomes.

When it is decided that the complaint is indeed justified, then there is a need to proceed with the investigation stage.

Investigation/Further Information/Consultation

The first thing to do before an investigation is carried out is to identify the subject matter of the dispute. This could be:

- A matter of fact (e.g. If a tax official is right to shut down a business premises without prior notice of distraint or establishing the residence of the taxpayer where s/he lives at the boundary between two states or maintains homes in 2 states – in which case the tax residence needs to be determined to ascertain the right of the tax authority to collect tax or consequently distraint) or;
- A matter of law (whether an item qualifies for inclusion in income in arriving at the chargeable income).

To carry out an investigation is to assemble facts, gather evidence, evaluate the evidence and arrive at a conclusion. Investigations are usually conducted in collaboration with the concerned unit/subunit within the Service e.g. compliance unit (PAYE, DA, CGT, etc.)

Facts will help the tax authority ascertain what is in dispute and will guide it to arrive at a decision. Facts are backed by strong evidence that cannot be disputed. The types of evidence to be considered include:

- The highest form of evidence are those generated by the investigator. Some evidence from third parties may be as strong, if not stronger than those generated by the investigator.
- The next best are those from independent and credible 3rd parties. Hence a bank statement obtained from the bank or certificate of incorporation attested by the Corporate Affairs Commission (CAC).
- Evidence from third parties that may not have sufficient controls to safeguard the integrity of their records. For instance, a small private organisation may have its records doctored without because a single person may be oversee a lot of activities and can get away with a lot of irregularities.
- The evidence from the parties themselves are the weakest.

Consideration for the nature of evidence:

- Documentary evidence as the highest quality evidence.
- Oral evidence may be weak.
- Physical evidence e.g. goods expired because the store where they were kept was sealed up.
- Physical evidence may be as strong as documentary evidence.
- Expert opinion may also be written evidence but may not be as strong as documentary evidence of transactions or of the interaction with tax officials called into question in the complaint filed.

Disputes usually arise where the statements of the complainant and that of the tax official conflict. It is the responsibility of the investigator to uncover the truth.

How does s/he proceed?

1. Determine what is in dispute

This may be issues such as:

- Location of a property, size of the property, ownership of the property.
- Failure to provide a service within a specified time.
- The quality of information materials (forms and guides).
- Harassment or any inappropriate behaviour by a staff member.
- Dissatisfaction with a policy, process or procedure.
- Delays in processing a receipt for payment, TCC or refunds.
- Any other matter relating to violation of the administrative instructions and circulars issued by the tax authority.

2. Review the evidence that both parties present for their positions

- a. Is the evidence relevant?
- b. Is the evidence from one part more credible? Be mindful of the existence of laws/cases that might vitiate what appears obvious.

The first two are issues of fact. This can easily be resolved by seeking the opinion of an expert – e.g. a surveyor, HR of the tax authority/superior revenue officer. However, ownership may be a point of law or fact; hence, a certificate of occupancy may be relied on to resolve the issue.

3. If the matter cannot be easily resolved, consider getting additional information

Key evidence sources include:

- Decided cases similar to the one at hand.
- Texts of laws, regulations etc.
- Peer reviewed journals that may provide insight on the issue.
- Statements from experts.
- Documents from third parties.
- Documents from and statements made by parties to the dispute.

It may be necessary to interview the parties to a complaint and staff of the tax office in order to obtain a full picture of what the facts are.

3a. Conducting an interview

Interviews can be conducted by different staff other than that of the CMU, depending on the nature of the complaint. The interviews should be conducted by:

- A trained inspector in the case of a return filing/assessment dispute as the complaints unit should not address these.
- Staff of the taxpayer services unit if the issue involves information guides.

- Internal audit staff in the case of a gross misconduct complaint, etc.

It is important to study the file before conducting an interview. This will guide the investigator in posing questions.

- Questions should be prepared ahead and planned such that there is no need to re-interview the complainant.
- Group dynamics play out when there is a crowd. One person should be interviewed at a time.
- The interview may be held over the phone or in person.
- It is better to arrange an appointment ahead so that the session is not interrupted

Punctuality is important to ensure that the complainant does not renege by citing this as an excuse. It also conveys respect for the complainant and the issue at hand.

- Permission to make a recording of the session must be sought.
- An interview session is a learning session. There is no need to challenge the person being interviewed.
- Questions may be asked to find out if a major issue in the case is corroborated or contradicted. But the interviewer should not show any emotion whatever happens.
- The person being interviewed deserves respect even if he/she is lying.
- The interviewer should not make commitments or jump to conclusions.

3b. Expert opinion

When there is a matter of law in dispute, consider consulting the legal unit or legal secretary of the tax authority. In many cases this is not a run of the mill complaint and should be referred to the legal team as it may ultimately go for judicial intervention:

- When a case is cited, endeavour to read it.
- The investigator can also read other discussions of the case.
- A lawyer may have his own bias.
- But he/she remains an expert.

4. Assemble and evaluate the evidence

An investigator must have a sceptical mind. People will lie to protect their jobs and to save money. When there is a conflict between statements made by different people, other evidence must be examined to determine which position is likely to be true.

The evidence gathered should be evaluated and arranged to tell a story.

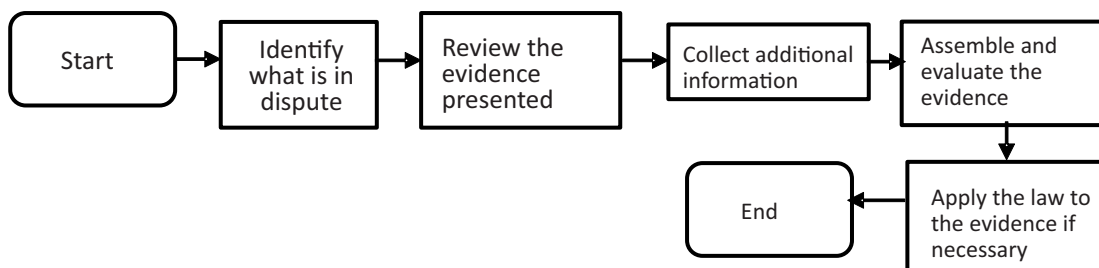
That initial story needs to be challenged to check if there is an alternative story.

Is the case similar to a previous one? If the investigator's decision differs from that one, would he/she be able to defend why he/she decided differently?

5. Apply the law to the evidence

Since the investigator has an idea of the facts based on evidence and the position of the law, a decision can now be taken.

2.12 Investigation Process flowchart



Communicating a decision to the complainant

The decision taken by the tax authority must be communicated to the complainant in writing. It should be explicit as to what the decision is. It should proceed in a logical fashion and in clear terms without ambiguity as follows:

1. What the complaint is about and what the complainant wants. The evidence presented by the complainant. There is a need to mention this to avoid a claim that evidence is being ignored.
2. What the tax authority did to resolve ALL the issues raised. It may be necessary to mention facts that were established, documents obtained, interviews conducted, legal opinions consulted, and literature reviewed. The idea is to let the complainant know that the complaint was thoroughly investigated.
3. The outcome of a review of facts and what they point to explains the decision the tax authority reached on all the complaint points.
4. The reply must be written in a way that leaves an unfavourable decision acceptable.

End (Closure)

A complaint file is closed when any of the following happens:

- It is declined on technical grounds.
- A decision is made and same is communicated to the complainant.
- The complainant is asked to produce a document and fails to do so within the time specified.
- The complainant withdraws the complaint.

- The substance of the complaint is overtaken by an event. For instance, what is complained about is an unclear aspect of the law and a circular is released by the government to clarify it or the tax office announces an extension of time, a waiver or general amnesty that covers the subject of the complaint.
- When fraud on the part of the complainant is strongly suspected or known to have taken place. For instance, if a receipt for payment of a tax is known to have been forged. The decision to involve the police on such a criminal matter is a different issue.

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